Agenda

• Budget Schedule
• Funding Formula
• Average Daily Membership
• Base Support Level assumptions
• Staffing formulas
• Budget Objectives
• Budget Priorities
FY18 Budget Schedule

- Jan 24 – Feb 26    Finance met with 86 Principals
  All classroom teacher FTEs were approved prior to first job fair on March 3
- Feb 13 – Mar 20    Finance met with 39 Departments
- Mar 16            Draft 2 Deseg Budget submitted
- May 4             Draft 3 Deseg Budget due
- Jun 26            Proposed Budget
- Jul 10            Adopted Budget
Revenue Control Limit (RCL) is the foundation for building the M&O Expenditure Budget Limit:

- **Average Daily Membership**: The average number of students enrolled each day during the first 100 days.
- **Support Level Weight**: ADM multiplier that takes into consideration the associated cost of educating the various student classifications.
- **Weighted Student Count**: $\text{ADM} \times \text{Support Level Weight}$
- **Base Level Amount**: the funding level per weighted student count authorized by the state legislature each year.
- **Teacher Experience Index**: funding factor for districts with higher teacher experience than state average.
- **Audit Services**: prior year (non-federal) single audit costs.
- **Transportation Revenue Control Limit (TRCL)**: calculated using eligible students & yearly route miles.

Unweighted Student Count
+ Group A Weights
+ Group B Weights
= Total Weighted Student Count
\times
\text{BSL} = \text{Revenue level per student count specified by A.R.S. 15-901}
+TEI = \text{Average years of experience for teachers in the district}
+Auditing services expenses from prior year
+In FY18, 1.06\% for Teacher Raises was added.
+Transportation Revenue Control Limit
+District Additional Assistance (Capital)
Other Local and Federal Funding Sources
=TOTAL BUDGET

4
Average Daily Membership (ADM) 2009-10 to Present

Average Decline = - 2.6%

Closed 10 schools
Budget Factors

Average Daily Membership (ADM)
• FY19 ADM Assumption = 42,968 (-2%)
• FY18 ADM 43,844
• Weighted counts decrease -1.7% to 57,963.87

Enrollment vs ADM per A.R.S. 15-901

“Enrollment” means that a pupil is currently registered in the school district.”

"Average daily membership means the total enrollment of fractional students and full-time students, minus withdrawals, of each school day through the first one hundred days...”
Budget Factors

M&O Base Support Level (BSL)

- BSL projected to increase 1.8%
  - FY18 was $3,729.31  FY19 = $3,796.44

- Teacher Experience Index decreased -.0009 or -0.1%
  - FY18 = 1.0153  FY19 = 1.0144

Scenario:

At +1.8% inflation, a decrease -0.1% TEI and -2% ADM
Total M&O & Capital Budget = (-$2,276,000)

At +2.8% inflation + Governor’s budget increase to Base Support Level, -0.1% TEI and -2% ADM
Total M&O & Capital Budget = (-$83,000)
Budget Factors

Desegregation
- Per 15-910 K.7 funding remains flat to FY08-09 at $63.7M

DAA/Unrestricted Capital
- Funding reduction will continue with potential for funding to be restored over the next 5 years FY19 - FY23

<table>
<thead>
<tr>
<th>District Additional Assistance / Capital</th>
<th>Budget Page 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY19 Capital Allocation</td>
<td>21,310,086</td>
</tr>
<tr>
<td>DAA Reduction</td>
<td>(18,220,124)</td>
</tr>
<tr>
<td>FY19 District Additional Assistance/Capital</td>
<td>3,089,962</td>
</tr>
<tr>
<td>Governor’s Proposal to restore capital $90/stu</td>
<td>3,945,960</td>
</tr>
<tr>
<td>Total Capital Estimate for FY19</td>
<td>7,035,922</td>
</tr>
</tbody>
</table>
M&O Staffing Formula

<table>
<thead>
<tr>
<th>Grade</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grade K</td>
<td>1:26</td>
</tr>
<tr>
<td>Grades 1-3</td>
<td>1:29</td>
</tr>
<tr>
<td>Grades 4-5</td>
<td>1:30</td>
</tr>
<tr>
<td>Grades 6-8</td>
<td>1:32</td>
</tr>
<tr>
<td>Grades 9-12</td>
<td>1:33</td>
</tr>
</tbody>
</table>
Budget Priorities

- Manage the District spending plan to accommodate:
  - Decreased enrollment -2%
  - Increase to classroom spending to 53%
  - Decrease to administrative spending to <9.5%
  - Finance, Human Resource, (-$2,100,000)
    Operations, Tech Services reductions
  - Expiring leases (-$4,000,000)
Budget Priorities

• Address the Minimum Wage requirements from $10.50 to $11.00
  +$385,000 ($231k M&O)

• Address Compression resulting from Minimum Wage increase
  +$855,000 ($513k M&O)

• Decrease Counselor Staffing ratios +15 FTE
  +$835,000 (M&O)

• Expand Music/Performing Arts + 7.9 FTE
  +$435,000 (Fund 013)

• Step increase for all employees
  +$3,440,000 ($2.9M M&O)

• Bus Driver compensation
  +$525,000 (M&O)
## Budget Priorities

- **7th Period Day for PLC**

<table>
<thead>
<tr>
<th>Location</th>
<th>FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Booth Fickett</td>
<td>5</td>
</tr>
<tr>
<td>Dodge</td>
<td>2</td>
</tr>
<tr>
<td>Magee</td>
<td>4</td>
</tr>
<tr>
<td>Palo Verde</td>
<td>8</td>
</tr>
<tr>
<td>Secrist</td>
<td>2</td>
</tr>
<tr>
<td>Catalina</td>
<td>4</td>
</tr>
<tr>
<td>Doolen</td>
<td>4</td>
</tr>
<tr>
<td>Naylor</td>
<td>2</td>
</tr>
<tr>
<td>Pistor</td>
<td>6</td>
</tr>
<tr>
<td>Valencia</td>
<td>6</td>
</tr>
</tbody>
</table>

+$2,365,000 (Deseg)
Budget Priorities

Funding Summary

Overall impact on M&O expenses (-$1,096,000)

Classroom Site Fund 013 - Menu +$435,000

Deseg +$2,365,000 (to be funded reallocated within $63.7M budget)
Budget Priorities

Additional potential priorities to be reviewed:

• Social Worker expansion to gen. ed. student population
• Exceptional Ed. Recruitment/Retention stipends
  +$600,000  $5,000 recruitment stipend for newly hired teachers
  +$540,000  $1,000 stipend retention for returning teachers
• Reinvigorate libraries with books, periodicals, and instructional materials
  +$250,000  to be reallocated from existing capital budgets
THANK YOU